

Message Text

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43

ACTION EA-14

INFO OCT-01 ISO-00 AID-20 EB-11 FSI-01 PM-07 INR-10 IO-15

L-03 NSAE-00 NSC-10 PA-03 RSC-01 DRC-01 DPW-01 PRS-01

OMB-01 SS-15 /115 W

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P R 111010Z OCT 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 7969

INFO AMEMBASSY BANGKOK

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMEMBASSY TEHRAN

AMCONSUL DANANG

AMCONSUL NHA TRANG

USDAO SAIGON

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DEPCHIEF JUSMAAG

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 17789

E.O. 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJECT. EMBASSY SAIGON'S MISSION WEEKLY, OCTOBER 5-11, 1973

BANGKOK ALSO PASS OSA; DEP ALSO FOR AID/W; CINCPAC FOR POLAD;
DOD-PRO USAJFKCMA ATTN: ATCS-WL-DSA

THE WEEK IN BRIEF

--COMMUNIST MILITARY ACTIVITY IN MR I AND II SLOWED BY
WEATHER; ARVNAF RETALIATING IN MR 3 FOR LAST WEEK'S ENEMY
ACITIVITY; NOT MUCH CHANGE IN MR IV

--PRESIDENT THIEU REITERATES THAT GVN HOLDS NO "POLITICAL
PRISONERS"

--UPPER HOUSE VALIDATES NEWLY-ELECTED SENATORS

--GVN RELEASES NOTE ON PRC SHIP VISIT TO DONG HA

--GVN/"PRG" BILATERALS TEMPORARILY HALTED

--ACTING FOREIGN MINISTER DUV RETURNS TO SAIGON

--GVN PROTESTS HUNGARIAN STATEMENT ON GVN OBSERVER MISSION TO UN

--COMMUNIST BLAST TAY NINH ATTACKS, JMC "PROVOCATIONS"

--PRC GRANTS MILITARY AID TO DRV

--FRENCH "ECONOMIC" DELEGATION ARRIVES IN HANOI

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--PHAM VAN DONG TO VISIT GDR

--DRV DELEGATION LEAVES FOR PERON INAUGURATION

--AUSTRIAN AMBASSADOR TO DRV PRESENTS CREDENTIALS

--THO, BINH, VC DELEGATION TO NAC GETS WARM WELCOME IN HANOI

--UGANDA AND VC ESTABLISH DIPLOMATIC RELATIONS AT AMBASSADORIAL
LEVEL.

--RICE PRICE UP

--GREEN UP; GOLD DOWN

--\$6 MILLION IN EXPORTS IN SEPTEMBER

--10 RURAL BANKS TO OPEN IN OCTOBER

I. INTERNAL

A. CEASEFIRE

IN MR 1, THE RELATIVELY HIGH LEVEL OF ENEMY ACTIVITY SOUTH OF THE HAI VAN PASS SUBSIDED ONLY WITH THE ADVENT OF A TROPICAL STORM ON OCTOBER 6. EVEN HERETOFORE QUIET QUANG TRI HAS EXPERIENCED A RISE IN ACTIVITY TO A LEVEL COMPARABLE WITH THAT IN TRADITIONALLY TURBULENT QUANG NGAI. THE DECREASE IN ACTIVITY IN MR 2 QAS ALSO ATTRIBUTABLE TO THE WEATHER. THE GVN EFFORT TO RETAKE LE MINH IS PROCEEDING SLOWLY IN THE FACE OF BAD WEATHER AND STIFF COMMUNIST RESISTANCE. IN PHU YEN, AN INCREASE IN GROUND ATTACKS AND OTHER EVIDENCE APPEARS TO PRESAGE A NEW CAMPAIGN AGAINST GVN OUTPOSTS. IN MR 3, ARVNAF IS ATTEMPTING TO FLUSH OUT THE ENEMY UNITS IN LOWER TAY NINH RESPONSIBLE FOR LAST WEEK'S AMBUSH OF AN ARVN BATTALION AND IS RETALIATING WITH EXTENSIVE AIR STRIKES IN PRG BASE AREAS IN THE UPPER PROVINCE. VNAF SPOTTER PLANES REPORT TWICE SIGHTING UNIDENTIFIED HELICOPTERS ON OCTOBER 5. NEITHER THE LEVEL NOR THE PATTERN OF ACTIVITY CHANGED IN MR 4: DINH TUONG REMAINED ACTIVE AND CHUONG THIEN RELATIVELY QUIET, WHILE RANGER UNITS PERSISTED IN THEIR UNDISTINGUISHED EFFORTS TO RETAKE GIAI MOUNTAIN IN CHAU
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DOC. TWO ARVN BATTALIONS DESTROYED AN INFILTRATING NVA UNIT IN EASTERN KIEN TUONG. A PRESUMED COMMUNIST AMBUSH IN BA XUYEN RESULTED IN THE DISAPPEARANCE OF AN AMERICAN AND TWO LOCAL PA&E EMPLOYEES. THROUGH WALKOUTS AND INTENSIFIED ALLEGATIONS OF U.S.-FOSTERED, GVN CEASEFIRE VIOLATIONS, THE COMMUNIST CONTINUE DEMONSTRATE THEIR DISPLEASURE WITH AN UNINTIMIDATED GVN AND PREVENT SERIOUS DISCUSSION IN ANY OF THE FORUMS ESTABLISHED PURSUANT TO THE PARIS AGREEMENT.

B. PRESIDENT THIEU SPEAKS ON CIVILIAN PRISONER ISSUE

SPEAKING AT A CORNERSTONE LAYING CEREMONY FOR A COURT BUILDING ON OCTOBER 6 IN NINH THUAN PROVINCE, PRESIDENT THIEU REITERATED THE GVN VIEW THAT "THERE ARE NO POLITICAL PRISONERS IN SOUTH VIETNAM". HE OUTLINED THE RATIONALE FOR THIS POSITION, SAYING THAT THE RVN HAS NO LAW PUNISHING THOUGHTS, ONLY ACTIONS HARMFUL TO THE NATION'S SECURITY, PUBLIC ORDER, LIFE, AND PROPERTY. THE COMMUNIST ARE NOT A POLITICAL OPPOSITION, HE DECLARED, BUT AGGRESSORS. AS IN COUNTRIES ALL OVER THE WORLD, THE LAWS OF THE RVN FIX PUNISHMENTS FOR THOSE WHO AID THE ENEMY WHEN THE COUNTRY IS INVADDED. THIEU ADDED THAT, WHEN COMMUNIST SABOTEURS ARE CAUGHT AND TRIED, THEY CANNOT BE CONSIDERED

POLITICAL PRISONERS, BUT MUST BE VIEWED AS TRAITORS OR ROBBERS.

C. UPPER HOUSE VALIDATES NEWLY-ELECTED SENATORS

THE UPPER HOUSE IN A PLENARY SESSION OCTOBER 9 CONSIDERED THE CREDENTIALS OF THE 31 NEWLY-ELECTED SENATORS. THERE WERE NO CHALLENGES TO INDIVIDUAL SENATORS. HOWEVER, THE SESSION WITNESSED SOME SHARP DEBATING AS TWO LEADING ANTI-ADMINISTRATION MEMBERS CHALLENGED THE VALIDITY OF THE AUGUST 26 ELECTION. THEIR CRITICISMS WERE MET BY COUNTER-ARGUMENTS FROM MANY PRO-THIEU SENATORS, INCLUDING SEVERAL OF THE NEWCOMERS. THE SESSION ENDED WITH AN OVERSHELMING VOTE IN FAVOR OF VALIDATING ALL THE NEW MEMBERS.

PART II. EXTERNAL

A. GVN RELEASES NOTE ON PRC SHIP VISIT TO DONG HA

ON OCTOBER 5 THE GVN RELEASED THE TEXT OF A NOTE SENT
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ON SEPTEMBER 27 TO THE PARTICIPANTS IN THE INTERNATIONAL CONFERENCE ON VIET-NAM (HELD IN PARIS FEBRUARY 27-MARCH 2) PROTESTING THE SEPTEMBER 1 CALL BY A PEOPLE'S REPUBLIC OF CHINA CARGO SHIP AT THE PORT OF DONG HA IN TERRITOGX CONTROLLED BY THE VIET CONG'S "PROVISIONAL REVOLUTIONARY GOVERNMENT." THE NOTE FOLLOWS PROTESTS MADE IN EARLY SEPTEMBER TO THE ICCS AND THE TWO PARTY (GVN-VC/PRG) JOINT MILITARY COMMISSION AND CONTAINS LENGTHY JUSTIFICATIONS OF GVN'S CLAIM TO CONTINUED SOVEREIGNTY OVER ALL OF SOUTH VIET-NAM (SAIGON 16219, SEPTEMBER 11 WEEKA).

B. GVN/"PRG" BILATERALS TEMPORARILY HALTED

AT OCTOBER 4 28TH PLENARY SESSION OF BILATERAL TALKS BEING HELD OUTSIDE XLRIS THE "PRG" REPRESENTATIVE DENOUNCED US AND GVN ESCALATION OF THE WAR, "MASSACRES", VIOLATIONS OF THE CEASEFIRE, PROVOCATIONS, UNJUSTIFIED ACCUSATIONS AGAINST THE "PRG" SERVING AS "PRETEXTS FOR FURTHER ESCALATION", ETC. AND WALKED OUT OF THE MEETING SAYING THE NEXT SESSION WOULD BE HELD ON OCTOBER 11. ON OCTOBER 10 THE GVN DELEGATION, BASING ITSELF ON THE RULE THAT SESSIONS WERE SET BY MUTUAL AGREEMENT, PROPOSED TO THE "PRG" THAT THE NEXT SESSION BE HELD OCTOBER 25 AND IS NOW AWAITING A REPLY.

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P R 111010Z OCT 73

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC PRIORITY 7970

INFO AMEMBASSY BANGKOK

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AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

DIA

JCS

JUSMAAG

WHITE HOUSE

USAJFKCMA

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMEMBASSY TEHRAN

AMCONSUL DANANG

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THE GVN DELEGATION ALSO ISSUED A PRESS COMMUNIQUE
EXPLAINING THAT ITS POSITION CONSTITUTES A PROTEST AGAINST

THE "INSOLENCE OF THE PRG" AND THAT AN EARLIER SESSION WOULD BE POSSIBLE IF THE "PRG" INDICATED THAT IT WAS READY TO CONDUCT SERIOUS NEGOTIATIONS, FORESAKING "INADMISSIBLE PROCEDURES" AND "UNILATERAL INTERRUPTIONS OF MEETINGS."

C. ACTING FOREIGN MINISTER RETURNS

ACTING FOREIGN MINISTER NGUYEN PHU DUC RETURNED TO SAIGON OCTOBER 10 AFTER TWO-WEEK STAY IN NEW YORK FOR OPENING OF UNITED NATIONS GENERAL ASSEMBLY.

D. GVN PROTESTS HUNGARIAN STATEMENT ON GVN OBSERVER MISSION TO UN

ON OCTOBER 10 THE GVN SPOKESMAN TERMED AS "ENTIRELY UNREASONABLE" A STATEMENT BY THE HUNGARIAN FOREIGN MINISTER IN NEW YORK THAT THE GVN'S OBSERVER ROLE AT THE UN SHOULD BE TERMINATED. THE SPOKESMAN SAID THIS DID NOT REFLECT IMPARTIALITY WHICH SHOULD BE SHOWN BY A MEMBER OF THE ICCS.

E. COMMUNISTS BLAST TAY NINH ATTACKS, JMC "PROVOCATIONS"

RECENT MILITARY ACTIVITY IN TAY NINH PRODUCED A FLURRY OF OFFICIAL DENUNCIATIONS FROM THE VIETNAMESE COMMUNISTS. LIBERATION RADIO ON OCTOBER 5 BROADCAST LENGTHY QUOTES FROM AN OCTOBER 1 NOTE SENT BY THE SO-CALLED PRG TO SOME OF THE PARTICIPANTS IN THE INTERNATIONAL CONFERENCE ON VIET-NAM (THE US, CANADA AND GVN WERE EXCLUDED.) THE NOTE INCLUDES STANDARD CHARGES THAT US IS CONTINUING ITS MILITARY INVOLVEMENT IN VIET-NAM AND IS ENCOURAGING GVN TO VIOLATE CEASEFIRE, TO SUPPRESS "DEMOCRATIC LIBERTIES", AND TO CONTINUE DETENTION OF "POLITICAL PRISONERS." THE NORTH VIETNAMESE SENT AN ALMOST IDENTICAL NOTE TO THE SAME
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ADDRESSEES OCTOBER 2.

TWO DAYS LATER, AS THE HANOI FOREIGN MINISTRY SPOKESMAN CONTINUED CONDEMNING THE TAY NINH FIGHTING, HIS VIET CONG COUNTERPART BLASTED THE GVN FOR ALLEGED "PROVOCATIONS" OF THE COMMUNISTS' JMC DELEGATION. THE SPOKESMAN OF THE SO-CALLED PRG ACCUSED THE GVN OF FABRICATING A COMMUNIST OFFENSIVE AGAINST LE MINH TO JUSTIFY THE "VULGAR ATTITUDE" OF GVN DELEGATES ON THE COMMISSION. HE ALSO CONDEMNED THE DISPATCHING OF "HOODLUMS AND HOOLIGANS" BY THE GVN TO "SLANDER" THE VIET CONG REGARDING THE LE MINH AFFAIR.

ALLEGED GVN BOMBING RADIS IN TAY NINH PROVINCE WERE ATTACKED IN FOREIGN MINISTRY STATEMENTS BY THE VIET CONG ON OCTOBER 7 AND THE DRV ON OCTOBER 8. THE VIET CONG NOTE TRIED TO ESTABLISH US RESPONSIBILITY FOR THE RECENT UPSURGE IN FIGHTING NOT ONLY IN TAY NINH, BUT ALSO IN THE CENTRAL HIGHLANDS WHERE, ACCORDING TO THE OCTOBER 7 STATEMENT, US GENERALS MURRAY AND KINGSTON MET WITH PRESIDENT THIEU TO WORK OUT "PLANS FOR ATTACKS" IN COMMUNIST-OCCUPIED AREAS.

FINALLY, THE VIET CONG ANNOUNCED ON OCTOBER 9 THAT IT HAD SENT ANOTHER NOTE TO THE INTERNATIONAL CONFERENCE PARTICIPANTS ON OCTOBER 5, PROTESTING THESE ALLEGED GVN GROUND OPERATIONS AND BOMBING IN TAY NINH. HANOI HAS NOT YET FOLLOWED UP THIS NOTE WITH ONE OF ITS OWN.

F. CHINA GRANTS MILITARY AID TO DRV
NCNA ANNOUNCED ON OCTOBER 5 THAT AN AGREEMENT ON CHINA'S "GRATUITOUS" MILITARY AID TO THE DRV DURING 1974 HAD BEEN SIGNED THAT DAY IN PEKING. AS USUAL, NO DETAILS WERE GIVEN.

G. FRENCH AID DELEGATION ARRIVES IN HANOI
VIETNAM NEWS AGENCY (VNA) REPORTED ON OCTOBER 4 THAT THE FRENCH "ECONOMIC" DELEGATION, HEADED BY FRANCOIS MISSOFFE, HAD ARRIVED IN HANOI THAT DAY. THE FAIRLY LOW-LEVEL WELCOMING COMMITTEE INCLUDED LE KHAC, VICE CHAIRMAN OF THE DRV STATE PLANNING COMMISSION, AND MAI VAN BO, HEAD OF THE EUROPEAN AND LATIN AMERICAN DEPARTMENT OF THE FOREIGN MINISTRY (FORMERLY THE DRV'S DELEGATE GENERAL IN FRANCE).

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H. DONG TO VISIT GDR
ON OCTOBER 7 NVA REPORTED THAT PREMIER PHAM VAN DONG WOULD LEAD A NORTH VIETNAMESE DELEGATION ON A VISIT TO EAST GERMANY IN THE LATTER HALF OF THIS MONTH. THE GDR WAS ONE OF FOUR STATES OMITTED ON DONG'S EARLIER TOUR THROUGH EASTERN EUROPE (THE OTHERS WERE ALBANIA, CZECHOSLOVAKIA AND YUGOSLAVIA.)

I. DRV DELEGATION LEAVES FOR PERON INAUGURATION
VNA ANNOUNCED ON OCTOBER 6 THE DEPARTURE OF DRV DELEGATION, HEADED BY MINISTER OF CULTURE HOANG MINH GIAM, TO ATTEND THE INAUGURATION OF ARGENTINE PRESIDENT JUAN PERON.

J. AUSTRIAN ENVOY PRESENTS CREDENTIALS
ON OCTOBER 9 F.H. LEINTNEV, AUSTRIAN AMBASSADOR TO THE DRV, PRESENTED HIS CREDENTIALS TO DRV PRESIDENT TON DUC THANG. FOREIGN MINISTER TRINH WAS ALSO PRESENT.

K. VIET CONG DELEGATION GETS GAY HOMECOMING IN HANOI
THE VIET CONG DELEGATION HEADED BY NGUYEN HUU THO, PRESIDENT OF THE SO-CALLED PRG, AND FOREIGN MINISTER NGUYEN THI BINH RETURNED TO VIET-NAM ON OCTOBER 4 FROM AN EXTENDED TOUR ABROAD. DURING THE MONTH-LONG FOREIGN JOURNEY, THO AND PARTY ATTENDED THE "NON- ALIGNED CONFERENCE" IN ALGIERS AND PAID "OFFICIAL FRIENDLY VISITS" TO ALGERIA, SENEGAL, YUGOSLAVIA, EGYPT, TANZANIA AND UGANDA. TOP NORTH VIETNAMESE PARTY AND STATE LEADERS TURNED OUT AT THE HOME-COMING. NVA REPORTED THAT NATIONAL ASSEMBLY

CHAIRMAN TRUONG CHINH AND PREMIER PHAM VAN DONG "WARMLY
ENBRACED" THO AND "CORDIALLY SHOOK HANDS" WITH MME. BINH.
ON OCTOBER 6 THO HELD TALKS WITH DRV PRESIDENT TON DUC THANG,
VWP FIRST SECRETARY LE DUAN, TRUONG CHINH AND FOREIGN
MINISTER NGUYEN DUY TRINH. THE SAME DAY HE AND MME. BINH

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C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 17789

ACCOMPANIED DEFENSE MINISTER VO HUYEN GIAP ON A VISIT TO
THE NVA INFANTRY OFFICERS' SCHOOL.

L. CAMEROON RECOGNIZES VIET CONG
EMBASSY YAOUNDE REPORTS (TELNO 3331, CONFIDENTIAL)
THAT ON OCTOBER 6 CAMEROON ANNOUNCED ITS RECOGNITION OF THE
SO-CALLED PROVISIONAL REVOLUTIONARY GOVERNMENT (PRG)
"AS ONE OF THE GOVERNMENTS OF SOUTH VIET-NAM." GURC
ANNOUNCEMENT ADDED THAT RECOGNITION OF "PRG" DID NOT "PUT
INTO DOUBT" LONG-STANDING RELATIONS WITH GVN. (COMMENT:
GVN HAS NOT PUBLICLY NOTED GURC ACTION. SAIGON, IN ONLY
PRECEDENT THUS FAR, SEVERED TIES WITH SENEGAL AFTER GOS
RECOGNIZED PRG.)

M. VIET CONG-UGANDA ESTABLISHED RELATIONS
HANOI'S VNA REPORTED ON OCTOBER 3 THAT THE JOINT
COMMUNIQUE SIGNED DURING NGUYEN HUU THO'S RECENT VISIT TO
UGANDA CALLED FOR THE TWO SIDES TO ENTERTAIN DIPLOMATIC
RELATIONS AT THE AMBASSADORIAL LEVEL.

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III. ECONOMIC

A. GENERAL
ECONOMIC NEWS DURING THE WEEK CONTINUED TO BE DOMINATED
BY THE RICE SITUATION. WITH 65,000 TONS OF RICE DELIVERED
FROM THE DELTA TO SAIGON IN SEPTEMBER, STOCKS IN GOVERNMENT
HANDS ROSE TO 163,000 TONS AS OF OCTOBER 5. HOWEVER, FREE
MARKET RICE PRICES CONTINUED RISING, CONTRIBUTING TO A 1.6
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PERCENT ADVANCE IN THE USAID SAIGON RETAIL PRICE INDEX. ON
OCTOBER 10, THE AUTHORIZED RATION FOR PURCHASES FROM GSA-
SUPPLIED OUTLETS IN SAIGON WAS RAISED FROM 25 TO 50 LITERS
PER FAMILY PER MONTH. MEANWHILE, MR-4 COMMANDER GENERAL
NGHI ANNOUNCED AT A PRESS CONFERENCE HIS PROPOSAL FOR A
TAKEOVER BY THE GVN OF THE PRIVATE RICE TRAD

1.

MINISTER OF FINANCE HA XUAN TRUNG IS LEADING A GVN DELEGATION TO TOKYO THIS WEEK FOR THE SOUTHEAST MINISTERS OF ECONOMIC DEVELOPMENT CONFERENCE. HE PLANS TO REMAIN SEVERAL ADDITIONAL DAYS TO DISCUSS JAPANESE AID PROPOSALS. AN ECONOMIC MISSION FROM THE REPUBLIC OF CHINA ARRIVED IN SAIGON THIS WEEK FOR DISCUSSIONS WITH BOTH GOVERNMENT AND PRIVATE SECTOR REPRESENTATIVES.

B. PRICES

A 2.3 PERCENT INCREASE IN FOOD PRICES PUSHED THE USAID SAIGON RETAIL PRICE INDEX UP ANOTHER 1.6 PERCENT FOR THE WEEK ENDING OCTOBER 8. THE INDEX IS NOW UP 51.6 PERCENT SINCE THE BEGINNING OF THE YEAR.

3. BLACK MARKET CURRENCY AND GOLD

THE OCTOBER 8 QUOTE FOR US\$ 100 GREEN WAS 545, UP FIVE PIASTERS OVER OCTOBER 1. THAT PRICE REPRESENTS A PREMIUM OF 5 PERCENT OVER THE OFFICIAL RATE. PRESSURE ON GOLD PRICES HAS EASED WITH GOLD LEAF SLIPPING TO 72,000 PER Tael FROM THE OCTOBER 1 QUOTE OF 73,500.

D. EXPORTS

PRELIMINARY DATA ON SEPTEMBER EXPORTS SHOW RECEIPTS OF US\$ 6.0 MILLION FOR THE MONTH. A COMMODITY BREAKDOWN FOR THE FIRST NINE MONTHS LISTS FORESTRY PRODUCTS IN FIRST PLACE WITH US\$ 9.1 MILLION FOLLOWED BY FISHERY PRODUCTS (US\$ 8.0 MILLION), RUBBER (\$ 5.6 MILLION) AND SCRAP (\$ 5 MILLION). INCREASED INTEREST HAS BEEN SHOWN IN SPECIES OF WOOD WHICH PREVIOUSLY HAVE RECEIVED LITTLE OR NO ATTENTION IN VIETNAM'S EXPORT MARKET. SEVERAL SMALL CONSIGNMENTS OF MIXED HARDWOOD SPECIES HAVE BEEN SHIPPED TO TAIWAN, HONG KONG AND JAPAN FOR EVALUATION AND TESTING IN TOY, FURNITURE AND OTHER PRODUCT MANUFACTURING. THE POSSIBILITY OF USING ONE OF THE PRINCIPAL MANGROVE SPECIES IN PLYWOOD MANUFACTURE HAS ALSO BEEN RAISED.

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E. RURAL BANKS

TEN NEW RURAL BANKS OPENINGS, EIGHT OF THEM IN MR-4, ARE SCHEDULED FOR OCTOBER. THESE OPENINGS WILL RAISE THE TOTAL OF EXISTING RURAL BANKS TO 56 AND GVN OFFICIALS ARE CONFIDENT THEY CAN MEET THEIR TARGET OF 64 SUCH BANKS BY YEAR'S END. AS OF AUGUST 31, DEPOSITS IN RURAL BANKS TOTALED VN\$ 1.4 BILLION COMPARED TO CAPITALIZATION OF VN\$ 1.8 BILLION. LOANS OUTSTANDING TOTALED VN\$ 3.1 BILLION. THE RATIO OF DEPOSITS TO CAPITAL IS RUNNING WELL AHEAD OF THAT ACHIEVED AT A COMPARABLE STAGE OF DEVELOPMENT IN THE PHILIPPINES, WHOSE RURAL BANK PROGRAM SERVED AS A MODEL FOR THE PROGRAM IN VIETNAM.

MARTIN

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WELLINGTON
JEC PARIS
CIA
DIA
JCS
JUSMAAG
WHITE HOUSE
USAJFKCMA
BIEN HOA
CAN THO
TEHRAN
DANANG
NHA TRANG
USDAO SAIGON
CINCPAC
CINCPACAF
CO PSYOPS GP
CINCPACFLT
CINCUSARPAC
DEPCHIEF JUSMAAG
Type: TE

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